



# Strategy Statement

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Additional information on the attached can be obtained from Marjorie Copson in USAID/AFR/SA.

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## **List of Abbreviations**

AU	African Union
CASU	Cooperative Administrative Support Unit
CDC	Centers for Disease Control
COP	Country Operating Plan
CSO	Civil Society Organization
DA	Development Assistance
DAO	Defense Attaché Office
DG	Democracy and governance
EU	European Union
FBO	Faith-Based Organization
FFP	Food for Peace
FFW	Food for Work
FSN	Foreign Service National employee
GC	General Council
GDA	Global Development Alliance
GOZ	Government of Zimbabwe
GDP	Gross Domestic Product
HIV/AIDS	Human Immunodeficiency Virus/Auto Immune Deficiency Syndrome
ICASS	International Cooperative Administrative Support Services
IOM	International Office of Migration
MDC	Movement for Democratic Change
NEPAD	New Partnership for African Development
NGO	Non-governmental Organization
OE	Operating Expense
OFDA	Office of Foreign Disaster Assistance
OGAC	Office of the Global AIDS Coordinator
OVT	Organized violence and torture
PA	Program Area
PAS	Public Affairs Office of the US Embassy
PEPFAR	President's Emergency Plan for AIDS Relief
PMTCT	Prevention of Mother to Child Transmission
POP	Population funding account
PSC	Personal Services Contractor
RCO	Regional Contracting Officer
RCSA	Regional Center for Southern Africa
RLA	Regional Legal Advisor
SO	Strategic Objective
SADC	Southern African Development Community
TDY	Temporary Duty assignment
UNDP	United Nations Development Program
UK	United Kingdom
USAID	United States Agency for International Development
USDH	United States Direct Hire employee
USG	United States Government
WFP	World Food Program (UN)
ZANU-PF	Zimbabwe African National Union – Patriotic Front
ZDERA	Zimbabwe Democracy and Economic Recovery Act

## STRATEGY STATEMENT

### Country Context and Program Rationale

Zimbabwe, once one of southern Africa's most vibrant, productive, and resilient countries, is experiencing an unprecedented reversal of economic fortune and social development. The country has been undergoing a severe economic contraction since 1999, precipitated by an ongoing political crisis, which is contributing to the rapid deterioration of the nation's social fabric. The underlying cause of Zimbabwe's decline is the unchecked and abusive exercise of executive power, which has led to poor governance and destructive policies. The Government of Zimbabwe (GOZ) falsely blames drought and western economic "sanctions" for the country's decline. Yet even within the GOZ, key figures acknowledge the reality that recovery is dependent on the government adopting a comprehensive approach to reform that includes the restoration of the rule of law and the reintroduction of sound monetary and fiscal policies. The protracted impasse in Zimbabwe's political arena, however, suggests that recovery will not begin in the foreseeable future as the government's top leadership continues to suppress most forms of dissent from the opposition party, independent press, the labor movement, and civil society. That said, the situation is highly fluid, with an aging autocratic ruler and an unpopular and increasingly fractious governing party. Overall U.S. foreign policy in this context is to maintain pressure on the regime, including through our targeted sanctions against the leadership, provide humanitarian assistance to the suffering citizens of Zimbabwe, and support the country's democratic forces in their efforts to effect a transition to democracy.

#### A. Country Background

Zimbabwe's citizens have been buffeted for six years by a combination of a collapsing economy, the devastating impact of HIV/AIDS, detrimental GOZ policies that thwart economic recovery, and a complex humanitarian crisis. Economically, Zimbabwe is completing its sixth consecutive year of economic contraction at a time when sub-Saharan Africa has recorded an average gross domestic product (GDP) growth rate of 3.4%. The failure to address fundamental, economic distortions, e.g., price and exchange controls, or tackle profligacy means that GDP is still expected to decline by a further 7% in 2005; this follows the economic contractions of 4% and 10.5% in 2004 and 2003, respectively. Inflation is over 400%, and is expected to exceed 500% by the end of the calendar year. The managed exchange rate showed some flexibility this year but the local currency remains overvalued, hampering the competitiveness of exports. Accordingly, foreign exchange continues to be in critically short supply. Zimbabwe, which has been in continuous arrears to the IMF since February 2001, paid the Fund \$120 million in September, plus an additional \$15 million in October and \$10 million in November 2005 but is still about \$150 million in arrears. Regardless, IMF and World Bank support will not be renewed absent comprehensive economic and political reforms. The economic decline has resulted in renewed shortages of food, fuel, electricity, and other critical imports. A once thriving industrial sector is suffering, with an additional 33 export companies closing in the first six months of 2005, bringing the total number of closures to 400 since 2002. The Government of Zimbabwe's recent Operation Murambatsvina (Shona for "Throw out trash") also tried to close down the entire informal business sector as described below. Formal unemployment is over 80%. The economic, social and political upheaval has fed an unprecedented brain-drain, creating an estimated three million economic and political refugees in foreign countries.

Zimbabwe's once robust infrastructure and social services are collapsing in the face of the economic crisis, the AIDS epidemic, and the alarmingly large exodus of the country's educated professionals. This decline is reflected in the 2005 UNDP *Human Development Report*, which ranked Zimbabwe 145<sup>th</sup> out of 177 countries on the Human Development Index, a drop of 27 places since 2002. Zimbabwe has one of the highest HIV/AIDS prevalence rates in the world

(20.1%)<sup>1</sup>. Other Health statistics are equally dire: 3,300 AIDS-related deaths each week, infant mortality rate of 76/1000, under-five mortality rate of 123/1000, over 1 million orphans in a population of 11.6 million, and a life expectancy of just 34 years. The shortage of most drugs continues, as does the exodus of medical personnel, and inflation has now put those drugs and treatments that are available outside of the reach of most people.

Zimbabwe's social and political environment remains highly polarized, with the society unable to reach consensus about how to transition from two decades of political dominance by the party that led its liberation struggle, the Zimbabwe African National Union - Patriotic Front (ZANU-PF). Despite international opprobrium and domestic pressure, ZANU-PF remains unwilling to engage in dialogue with the opposition Movement for Democratic Change (MDC) or to allow free and fair elections. It continues to employ repressive tactics against the opposition and its perceived supporters. All signs suggest that ZANU-PF will continue its drive to augment its dominant position. ZANU-PF has also maintained its dominant position and enforced party loyalty through the effective use of patronage. However, economic decline is beginning to weaken the party's patronage system and factionalism is on the rise within the ruling party, particularly concerning the issue of leadership succession. That said, the party is united for now on the need to retain political power and all of its factions defer to the aging President Mugabe.

As the country's only major opposition political party, the MDC offers a platform for those Zimbabweans – by most accounts a majority – who want to see restoration of the rule of law, free and fair elections and the return of rational economic policies. The MDC, however, has been under tremendous pressure from the regime for several years and has been weakened as a political force. The ruling party allowed the MDC some space to campaign in the run up to the March 2005 Parliamentary elections, and the MDC expressed its message in an organized and professional manner. Nonetheless, the electoral playing field was fundamentally tilted against the opposition and the election itself was fraught with serious irregularities in the tabulation process. The result was that the MDC suffered a third stolen election since its 1999 founding. More recently, the MDC failed to respond effectively to Operation Murambatsvina (see below), and has been riven by infighting. The internal disputes became public when party leaders disagreed on whether the party should participate in elections for a newly created Senate. However, the real issues concern leadership, internal governance and the use of violence.

On May 18, 2005, the GOZ began Operation Murambatsvina, a campaign to destroy “illegitimate” dwellings, as well as informal markets and stalls in major urban and peri-urban centers. The demolitions were purportedly intended to stop informal trading in goods and foreign currency, eradicate illegal residences, and promote urban beautification. The campaign resulted in mass evictions of urban households and the end of many informal businesses. According to the UN, more than 700,000 people were directly affected by this operation, an estimated 2.4 million were indirectly affected and the full impact in human and financial terms is still being determined.

The GOZ also suppresses the work of many non-governmental organizations (NGOs). In 2004, Zimbabwe's Parliament passed legislation that would restrict the operations of NGOs, which included a prohibition on foreign funding of NGOs engaged in human rights and/or governance work. President Robert Mugabe did not sign this legislation but many aspects of it are being implemented and the threat of its reconsideration continues to cast a shadow over the work of donors and NGOs. If enacted, such a law would threaten many donor programs and even the continued existence of many local organizations working on democracy and governance. Despite this harsh operating environment, Zimbabwean civil society is still a relatively vibrant force in the country, but the harsh operating environment has taken a toll on its energy and capacity.

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<sup>1</sup> The represents a decline of 4.5% from the 2004 national estimate. Although we do not have sufficient information yet to pinpoint the precise causes of this decline, the data suggests that it is largely due to behavior change.

## B. Sources of Instability and Vulnerability

USAID in Zimbabwe pursues interrelated priorities to encourage reform and develop the capacity of institutions consistent with agency-wide strategic priorities in fragile states. The Mission seeks to engage strategically and focus on sources of instability and vulnerability to achieve short-term impact linked to longer-term structural reform. Our efforts are directed at supporting Zimbabwe's return to the path of democracy, eventually restoring stability to the country. With reference to the USAID fragile states framework, Zimbabwe is a vulnerable state where the legitimacy of the government is in question. The ruling party is unwilling to govern in the interest of its citizens or to adequately assure the provision of security and basic services to the population.

Given its past successes, the current experience of Zimbabwe is a cautionary tale about how quickly a country can backslide from a platform of sustainable development to a condition of profound economic decline, social atrophy, and failing institutions of governance. This is especially alarming given that the country's decline has been mostly state-induced. Zimbabwe has two primary sources of fragility. First, state power is highly centralized in the executive branch, specifically the Office of the President, with virtually no checks and balances on the excessive use of this power. Thus, the exercise of state power is characterized by patronage, corruption and forceful intimidation, leading to erosion of the rule of law and democratic freedoms. Second, Zimbabwe's dramatically high HIV/AIDS and emigration rates impose severe economic and social costs on the population at large and on the functioning of all public and private institutions. While the country's deep economic crisis is the result of the government's flawed economic and public management policies, its magnitude and persistence are fast making the economic decline into a source of fragility in its own right.

The country's instability and vulnerability influence the functioning of the public and private sectors, and civil society. **Public institutions** such as the judiciary, Parliament, ministries, and provincial and local governments are tightly controlled, subject to cronyism and politically manipulated by the central power structure, undermining their technical and administrative functions and weakening their capacity to perform their fundamental government roles. The GOZ's hypersensitivity to criticism leads to the withholding and manipulation of information, undermining the accountability of government and contributing to a lack of checks and balances necessary for democratic governance. **Private sector institutions** must confront market distortions caused by counterproductive economic policies and inefficient public management. This has resulted in severe economic contraction, characterized by high unemployment, an unstable currency, widespread commodity shortages, disinvestment, and persistent food insecurity – factors that might trigger even greater fragility or conflict if left unchecked. Equally important, the private sector has been subject to a significant amount of political manipulation, with those not demonstrating loyalty to the ruling party put at risk of expropriation and various forms of harassment. **Civil society** is weakened due to state intimidation, the harsh economic environment and emigration. It also lacks a cohesive strategic approach to dealing with the country's political crisis, due principally to state repression, and ruptures (often state-induced) among civil society's leadership.

The root causes of Zimbabwe's instability and vulnerability (particularly the dominance of the central power structure and its lack of legitimacy) are difficult to address directly in the short-term. Nevertheless, indirect channels can be found among stakeholders across diverse sectors (particularly civil society actors) to address the immediate aspects of the crisis while laying the foundation for democratic reform, the longer-term process of recovery and eventual stability. While donor assistance cannot resolve Zimbabwe's fragility, it is critically important to strengthen those institutions, such as civil society, that can build a foundation for democratic accountability so that when change does occur it is more likely to be sustainable and democratic in nature. In addition, humanitarian assistance especially food aid and HIV/AIDS assistance, protects the population to some extent from the worst consequences of the regime's excesses and underscores to the people of Zimbabwe our commitment to their future.

USAID programs in Zimbabwe are designed to address these fundamental causes of the nation's instability and contribute to the U.S. Government's (USG) foreign policy strategic objective to advance sustainable development and global interests as defined in the State-USAID Joint Strategic Plan.<sup>2</sup> These programs also reflect the policy aims of USAID as laid out in the USAID policy framework and the Strategic Framework for Africa. The United States maintains strategic interest in Zimbabwe as events in the country have significant impact on the entire southern Africa region. The U.S. Government's principal national interests in the country are to: 1) prevent a further deterioration of the political and economic situation, and the consequent detrimental impact on the region; 2) strengthen the prospects for stability and national recovery by fortifying democratic institutions and civil society; 3) implement an effective response to the catastrophic HIV/AIDS pandemic; and 4) mount an effective response to the complex humanitarian crisis.

In addition to the goals and objectives for programming in fragile states laid out in the Strategic Framework for Africa, USAID's programs in Zimbabwe address one of the agency's **global issues and special concerns** through their attention to HIV/AIDS, identified as both a contributing cause and consequence of fragile state systems and national instability. Detailed information about USAID's programs addressing HIV/AIDS can be found in the Country Operational Plan (COP) and five-year strategy being developed for the Office of the Global AIDS Coordinator (OGAC). Furthermore, USAID in Zimbabwe pursues the agency-wide operational goal of **providing humanitarian relief**, based on the criterion of urgent need and without penalty for weak government commitment. USAID's Food for Peace (FFP) and Foreign Disaster Assistance (OFDA) offices provide emergency food and other humanitarian assistance. While aware that the Strategic Framework for Africa identifies counter-terrorism and the implications of extractive industries as two important Bureau-level concerns, neither is significant to the current sources of fragility in Zimbabwe. Therefore USAID does not currently address either concern.

USAID works in conjunction with other USG agencies to coordinate activities and resources in Zimbabwe, including participation on the country team organized to implement programs under the President's Emergency Plan for AIDS Relief (PEPFAR). USAID also coordinates efforts with other bilateral and multilateral donors on democracy and governance (DG) and humanitarian assistance programs.

### **Program Structure**

USAID programs in Zimbabwe aim to increase the country's capacity to manage crises and promote national stability, recovery, and democratic reform in the short- to medium-term. This will establish the platform and governance capacity for more enduring development measures over the longer term when political conditions allow. To these ends, USAID in Zimbabwe will pursue the strategic objective (SO) to **Manage Crises and Promote Stability, Recovery, and Democratic Reform in Zimbabwe** with interventions falling under three objectives in the Strategic Framework for Africa, as described below. The Mission will also pursue the strategic objective to **Mitigate HIV and AIDS in Zimbabwe**.

Given that legitimacy of the GOZ is a core issue of instability in Zimbabwe, program options will focus on non-governmental and private sector actors until political conditions change.

#### **A. SO 1: Manage Crises and Promote Stability, Recovery, and Democratic Reform (2006-2008):**

In order to achieve this strategic objective, the Mission will implement a program focusing on the following program areas (PAs):

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<sup>2</sup> This strategic objective is defined by four State-USAID strategic goals that advance the growth of democracy and good governance; strengthen world economic growth, development, and stability; improve health, education, environment, and other conditions for the global population; and minimize the human costs of displacement, conflict, and natural disasters.

**PA 1: Inclusive Governance Advanced:**

Under this PA, the focus of the USAID program will be to promote good governance by supporting activities of civil society, faith-based organizations, other democratic forces and selected government institutions that strengthen democratic processes and systems. This focus will address the source of Zimbabwe's fragility – centralized, unchecked power in the executive branch – by supporting organizations and institutions that can build a foundation for democratic accountability. By doing so, we will help to ensure that democratic systems and practices are revived and institutionalized.

In support of this PA, USAID will implement activities that contribute to:

- Increasing the capacity of civil society and the democratic movement to implement strategic short- to medium-term responses to the multi-layered crisis;
- Supporting civil society organizations and other democratic actors in efforts to open democratic space;
- Increasing participation of citizens in political and economic decision-making through strategic and effective coalitions, networks and joint actions at various levels;
- Strengthening adherence to the rule of law, judicial independence, transparency and accountability, advocacy capacity and inclusive governance;
- Building the capacity of selected institutions, such as the Parliament, to promote open debate and provide oversight of the executive branch, and reform-oriented local governments to advance inclusive governance;
- Promoting citizen access to objective information; and
- Strengthening regional voices for reform.

**PA 2: Enhance Protection of Individuals from Violence:**

USAID will implement activities that provide lifesaving support to people most directly affected by Zimbabwe's multi-faceted crises. A large segment of the population is critically affected by the cumulative and disastrous effects of the government's political, economic, and social policies, especially the policies on displacement and state-sanctioned violence and torture. Through these programs, USAID will work to provide affected individuals and communities with access to basic medical, legal, psychological, and social support to help them recover from their trauma and assist them in reintegrating into their communities to become fully productive contributors to economic, political, social, and cultural stabilization and democratic reform.

Violence is an endemic characteristic of Zimbabwe's modern history. It was a ubiquitous feature during both the colonial era and the country's struggle for independence, intensified during the brutal conflict in Matabeleland in the mid-1980's, and appeared again during the late 1990's in response to the establishment of a strong opposition movement. Since independence, the ruling party has relied on organized violence and torture (OVT) as a tool for maintaining political control, with severe consequences for both individual victims and society at large. Although violence has been declining since 2002, the level remains disturbing and is a testament to the effectiveness of state intimidation. Numerous local and international organizations have amply documented the GOZ's responsibility for an egregious pattern of torture and human rights abuse. Research shows that large numbers of Zimbabweans suffer from physical and/or psychological disabilities, either from direct experience or from the fear and intimidation that remains behind after the victimization of relatives and neighbors.

Given the long-term, debilitating effects of OVT on individuals and communities in Zimbabwe, the complex issues surrounding the use of torture must be addressed as part of a holistic and comprehensive program that deals with the immediate consequences of violence as well as funds activities to combat future violence. Such a holistic program



must monitor and document violence, seek legal redress, support local and international advocacy and accountability, and promote community level peace-building. Under this program area, USAID will support activities that contribute to:

- Healing the physical and psychological wounds of torture victims;
- Strengthening the public response against torture;
- Improving knowledge of the impact of various interventions and approaches; and
- Improving the capacity of civil society groups to document abuses and prevent future acts of torture.

**PA 3: Basic Economic Activity and Livelihoods Maintained/Restored:**

USAID has supported emergency humanitarian assistance in Zimbabwe since 2002. Although inconsistent rainfall in the country and the region is a contributing factor, the primary cause of the humanitarian crisis is counterproductive economic and other policies, including the disruptive fast-track land reform program under which nearly 4000 white commercial farmers were dispossessed and previously productive farms were handed over largely to members of the ruling elite and their supporters. Studies have shown that until the start of fast-track land reform, Zimbabwe's GDP and annual rainfall moved in tandem. However, since the start of land reform that link has been broken. Even in years when rainfall was above average, such as 2000 and 2001, GDP declined. GOZ policies have decimated food production and the export sector, leaving a significant food deficit for an average of 4 - 5 million people per year, and reduced foreign exchange earnings that could have been used to import food and other essential commodities. Such ill-conceived and destructive policies spread to the social sector under Operation Murambatsvina in mid-2005, resulting in the destruction of homes and/or livelihoods of an additional 700,000 poor people.

Due to GOZ policies, Zimbabwe has reverted from a country with a highly advanced commercial farming sector using sophisticated irrigation systems to one of largely rain-dependent subsistence farmers. Its relatively diverse industrial sector that provided the foreign exchange cushion during the periodic droughts has been reduced to a shell of its former self. Unemployment in the formal sector is roughly 80 percent and social safety nets have also effectively evaporated. The result is that the country has become increasingly susceptible to humanitarian crises, with poverty expanding and deepening with each successive crisis and ordinary Zimbabweans becoming ever more vulnerable. Because this man-made crisis will continue until the GOZ develops the will to change its governance practices, USAID believes that humanitarian assistance will remain a program focus for the foreseeable future.

Under this intermediate result, USAID will support interventions to ameliorate asset depletion and malnutrition for up to a third of the population under the FFP activities with U.S. and local NGOs and the World Food Program (WFP). In addition, OFDA-funded activities implemented by international NGOs and the International Office of Migration (IOM) will help provide shelter or other relief commodities, and basic health and sanitation services, to more than one million people.

Given the longer-term nature of this crisis, protracted relief efforts will probably be required as long as Zimbabwe remains categorized as a fragile state. Thus, this program area will also afford the Mission the opportunity to develop and implement livelihood promotion activities if conditions permit a transformation of assistance from the current emergency focus to a more development-oriented approach.

Examples of possible activities under this program heading include:

- Emergency feeding programs, including vulnerable group feeding, food-for-work (FFW), school feeding, other targeted feeding;
- Water/sanitation programs for displaced families and other persons;
- Emergency transitional shelters and related support for displaced persons;
- Nutrition gardens for the chronically food deficient and for HIV-affected families;
- Limited agricultural recovery activities in communal and old resettlement lands, i.e., traditionally unproductive lands that were not subject to the fast-track land reform program.

## **B. SO 2: Mitigate HIV and AIDS in Zimbabwe (2006-2010):**

Program interventions addressing the HIV/AIDS strategic objective are detailed separately in the Country Operational Plan and five-year Strategy developed for the Office of the Global AIDS Coordinator. Linked to the overall HIV/AIDS program, but funded from direct USAID funds (CSH/POP), the Mission will integrate family planning activities into the prevention of mother-to-child transmission of HIV (PMTCT) program in order to decrease the number of unintended pregnancies. Integrating these programs will also reduce the ever increasing orphan population and provide choice for HIV positive women.

### **Expected Overall Impact**

Over the next one to three years these USAID programs are expected to contribute to expanded space for, and capacity of, civil society to engage in public discourse and improved human security in the face of continuing humanitarian threats and HIV/AIDS. This includes a strengthened civil society where CSOs, NGOs, FBOs, and other democratic forces will be able to develop programs and effectively lobby decision-makers on policies of direct interest to their constituencies. The program will help focus their advocacy in more productive directions; if Parliament becomes less influential, efforts will be directed towards other organizations, including local organizations (e.g., political parties, media), regional organizations (e.g., SADC, AU, NEPAD), and international organizations (e.g., the UN, human rights courts). This strategy will also provide comfort, treatment, and a mechanism for seeking justice for those physically and/or psychologically tortured and abused by the regime or its supporters. While this strategy is not expected to lead to significant political change in the 1-3 year time frame, it will continue to strengthen individuals and organizations who are the catalysts for change.

The humanitarian crisis will not significantly improve over this time period, so we will continue to support the emergency feeding of 3 to 5 million people annually and the delivery of non-food humanitarian assistance, including transitional shelter, water, and health care for the most vulnerable individuals and households.

USAID is part of the Zimbabwe Country Team for PEPFAR. The Team's three-pronged strategic approach is designed to (a) strengthen local systems for the delivery of prevention, care and treatment services; (b) develop innovative and evidenced-based models and tools that leverage other resources to achieve national scale impacts; and (c) improve the technical and management capacity of local organizations to enable them to scale up and sustain these systems and programs. The USG's recognized comparative advantage of mitigating HIV in Zimbabwe includes technical expertise, leadership among donors, and the ability to leverage funds for quality programs of national impact. The recent decline in the prevalence rate from 24.6% to 20.1% may indicate that our programs are beginning to have an impact on the rate of HIV infection in Zimbabwe but more research and analysis is needed.

### **Near-Term Risks**

As Zimbabweans know well, pursuing the aims of such programs is not without risk and success will depend on a variety of factors. If the government continues to propagate new laws or

selectively apply existing laws to shrink the space of civil society and progressive local administrations, our ability to work publicly with these essential groups will become more difficult.

The continued implosion of the local economy constantly threatens our ability to fund critical activities and partners. The world's highest inflation rate has decimated our program and OE budgets – effectively cutting our funding by 25% over the last 3 years. Since the GOZ is unlikely to alter its counterproductive policies in the short term, our ability to continue on-going activities will remain severely strained. The consequences of the economic crisis have an even greater impact on our partners who are losing qualified staff, suffer continuously escalating costs and are severely constrained by the three-year old fuel crisis. We will continue to work closely with the Africa Bureau and the Department of State on funding issues. We will also continue to intervene on the behalf of our partners who are often harassed by the monetary and revenue authorities concerning tax and foreign exchange issues.

Despite the irrational policies and increasing corruption of Zimbabwe's ruling elite, many technical-level officials in GOZ ministries are competent and remain committed to due process, transparency and the rule of law. For this reason, the USAID Mission will continue to maintain cordial working relationships with technocrats in the GOZ, most importantly in the Ministry of Health, but also in Parliament and in the Ministries of Finance and Local Government. Our presence as a major donor, closely coordinating with the other major donors, has and should continue to facilitate our ability to implement our programs.

### **Cross-cutting Themes**

As indicated in the Strategic Framework for Africa, gender inequities, youth, the impact of HIV/AIDS, and democratic governance represent cross-cutting themes that directly affect the direction and effectiveness of programming. In Zimbabwe, USAID programs are designed to address these themes broadly in the following ways.<sup>3</sup>

USAID/Zimbabwe's program beneficiaries are predominantly female. Approximately half of the partner CSOs working in the area of democracy and governance specifically address advocacy issues of concern to women and minority groups. Over half of the beneficiaries of the HIV and AIDS program are also female.

While all USAID programs in Zimbabwe include youth as a part of the targeted beneficiaries, including combating the spread of HIV/AIDS, strengthening civil society, and providing humanitarian assistance, the behavior change component of our HIV/AIDS program works most directly with youth. This focus will continue under the period of the strategic objective devoted to HIV/AIDS. The recent decline in the prevalence rate from 24.6% to 20.1% may indicate that work with this group is beginning to have an impact but more research and analysis is needed to better inform programming decisions.

Because of the overwhelming impact of the HIV and AIDS epidemic, all Mission programs include activities to assist those infected or affected by the disease. In addition to our HIV/AIDS programs, which are integrated with those of CDC, DAO, and PAS, some of our DG programs strengthen CSOs which advocate for policy changes to benefit this group. The humanitarian assistance activities also target individuals and households infected/affected by the virus. Democratic governance is also an important cross-cutting theme. While the policies of the Government of Zimbabwe have eroded the effectiveness of government institutions and constrained civil society, the country maintains an active democratic opposition, a robust network of civil society and faith-based organizations, and a politically conscious labor movement. By supporting efforts of civil society to maintain democratic space, USAID helps strengthen those institutions that can check excessive power and ultimately lay the foundation for a healthy

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<sup>3</sup> Particular measures addressing gender will be elaborated through activity-level analysis conducted to support specific activity designs that will be developed as the strategy is implemented.

democracy. Such a foundation of democratic accountability would promote more rational host government policy, making all of our other assistance efforts more effective. For instance, improved economic policy would help the economy begin to grow again and start making a dent in the expanding number of people living in poverty. This would make health care more affordable to more Zimbabweans and improve the country's resilience to humanitarian shocks.

## **Regional Aspects**

Zimbabwe is located in the center of southern Africa. It is also an active member of the Southern African Development Community (SADC) and the African Union (AU). While relations with most of the developed world, and even with some other African states, are tense, the GOZ maintains good relations with its neighbors. Although only bilateral in nature, the USAID/Zimbabwe program takes into consideration the country's political and geographic location. We recognize that many South African organizations have an intense interest in events in Zimbabwe, politically as well as economically. Some of our partners also reach out to SADC and to the AU.

The continuing deterioration of the political, economic, and social infrastructure of Zimbabwe has had profound negative impacts on the region. South African economists estimate that the GNP in South Africa grew 1% **less** in 2004 due to events in Zimbabwe. A large number of the 3 million refugees created by this crisis are now living in neighboring countries – primarily South Africa – with many residing illegally. Moreover, Zimbabwe's ruling party sets a terrible example to other governments in the region with its subordination of national interest to its desire to retain power, and its blaring anti-democratic, anti-market, and anti-West rhetoric.

Zimbabwe is also at the epicenter of the HIV pandemic in Africa. The USG program will contribute to the multilateral campaign to halt the spread of this scourge which knows no borders.

While the Mission does receive Controller, Legal and Contracting support from RCSA, USG policy and funding restrictions do not encourage the Mission to participate in regional activities managed by RCSA. However, some RCSA regional activities do incorporate Zimbabwe as "mere indirect regional assistance" as permitted under the Brooke-Alexander Amendment to the FAA.

## **Local Expertise, Donor Coordination, and Public-Private Partnerships**

All of USAID's assistance is being provided through a variety of local, U.S. and international contractors and NGOs, and United Nations agencies, consistent with current Congressional (Brooke-Alexander Amendment and ZDERA) and Executive Branch restrictions on direct assistance to the GOZ (described below). USAID/Zimbabwe plans to continue taking advantage of Zimbabwe's universe of active and well-developed non-governmental organizations both in the design and implementation of activities.

In addition to the United States, the major non-food aid donors are: the European Union (governance, social services, health, agricultural recovery and environment); the United Kingdom (AIDS/health, agriculture recovery, governance); Japan (environment, self help, AIDS/reproductive health, education, infrastructure, agriculture and private sector); and Sweden (HIV/AIDS and governance). Implementing smaller programs are the Netherlands (governance and HIV/AIDS) and Norway (DG, health and education, although their program is now in abeyance). In 2005, food and other humanitarian assistance were provided directly or indirectly by: Australia, Belgium, Canada, EU, France, Germany, Greece, Ireland, Italy, Japan, Netherlands, Switzerland, UK, and the UN agencies. Donors coordinate very well through a series of sector working groups headed by selected bilateral or multilateral agencies. In addition, UNDP/UN Humanitarian Coordinator leads donor coordination on non-food humanitarian activities, while WFP leads the coordination of emergency food assistance and IOM leads the coordination of relief activities for internally displaced people.

The Mission is currently investigating options to create development alliances with the large Zimbabwean diaspora. A team from USAID/Washington's Global Development Alliance (GDA) office will travel to Zimbabwe early in CY 2006 to look at opportunities for potential collaboration in this and in other areas.

### **Program Restrictions**

The USAID program in Zimbabwe continues to be subject to the restrictions of the Brooke-Alexander Amendment to the Appropriations Act and to Section 620q of the FAA. Foreign assistance is also regulated by the Zimbabwe Economic Development and Recovery Act (ZEDRA). Finally, the interdepartmental Deputies' Committee provides guidance and approvals for USG programming in Zimbabwe. Each year, the Mission prepares an annual memorandum to the Assistant Administrator for Africa requesting approval to continue USAID funding planned for that year, notwithstanding the restrictions of the Brook-Alexander Amendment and Section 620q of the FAA.